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STATE FOR EAP AND IO

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SUBJECT: BURMA: FOLLOWING UP ON AUNG SAN SUU KYI'S REQUESTS FOR MORE SANCTIONS INFORMATION

REF: RANGOON 688

Classified By: DCM Tom Vajda for Reasons 1.4 (b) & (d)

Summary

¶1. (C) The UK, Australia, and U.S. COMs in Rangoon met on October 14 to discuss requests Aung San Suu Kyi (ASSK) made in her October 9 meeting (reftel): for the three governments, calculations of GOB steps toward democracy that would merit an easing of sanctions, and for additional information on the actual effects of sanctions on Burma's economy. The UK, in particular, is eager to offer ASSK examples of possible sanctions trade-offs, hoping such information could prove to the regime that a dialogue with ASSK is "relevant." Post proposes several actions and seeks Washington guidance (see paras 9-11). End summary.

Preliminary UK Views

¶2. (C) According to British Ambassador Heyn, the UK feels a need to respond to ASSK's request for GOB "milestones" that warrant an easing of some EU sanctions. Heyn cited both the political imperative to act on ASSK's request (intimating interest in PM Brown's office), as well as the need to "keep the Lady relevant" and support her efforts to engage the regime in dialogue. Stressing that no decisions have yet been made and that he has no instructions from London, Heyn said the UK is contemplating "tweaks" to the EU sanctions regime that might respond to GOB steps that represent a degree of progress but fall short of end-goals such as the release of ASSK and all other political prisoners.

¶3. (C) Heyn speculated that the UK might try to identify "illustrative examples" of relevant actions on both sides, not necessarily linked to one another. A meaningful improvement in the conditions of ASSK's house arrest -- e.g., an ability to meet regularly with her party, the NLD, and family -- could be one possible GOB action. One possible EU "tweak" might be to adjust aspects of its travel ban, maybe to allow travel for children of regime officials. Heyn acknowledged, though, that the travel ban on children may be a key item on the regime's agenda of irritants, so removing it may be best saved for progress on core issues. Heyn indicated that the EU has the ability to lift or adjust its sanctions quickly if member states can reach agreement, a process that could well take considerable time.

¶4. (C) Heyn reported that EU member-states, at the director level, will discuss Burma in Brussels at a previously scheduled October 15 meeting on Asia. He said the UK representative may raise the UK's thinking at that session.

The UK will also seek to coordinate views with like-minded countries, including current EU President Sweden, since EU members less in favor of sanctions may push for an ambitious schedule of sanctions relief.

Fewer Options for Australia

¶15. (C) Australian CDA Starr reported that Canberra is eager to coordinate with Washington and London to make sure its approach "reinforces" those of the U.S. and UK. Starr noted that Australia has one primary sanction: a financial transaction ban on designated individuals. The GOA could conceivably remove some names from the list as an interim measure but otherwise is limited to turning its restrictions "on or off." Starr said any adjustment would be an executive branch action, with no need for parliamentary approval.

¶16. (C) Starr noted that, in response to ASSK's request at the meeting last week, he has obtained information on Canada's sanctions through that country's Embassy in Bangkok. Starr will seek to pass those documents to her along with materials concerning Australia's sanctions legislation.

Complex U.S. Situation; Importance of ASSK/NLD Views

¶17. (C) CDA explained that, while the Executive Branch has authority to remove or adjust some Burma sanctions that were issued by executive order, other sanctions result from laws that would require Congressional action to reverse. Views on sanctions in Congress vary, but some prominent Members have made clear they oppose any change in sanctions until, for

example, the GOB has released ASSK and all political prisoners. CDA noted that the U.S. dialogue with the GOB is at an early, fact-finding stage. In contemplating a future time when trade-offs might be negotiated, the views of ASSK and the NLD will matter to Washington, both for the Administration and the Congress. The CDA suggested the U.S., UK, and Australia continue to attempt quietly to solicit ASSK and NLD views on GOB steps that might merit sanctions relief.

One conduit could be through ASSK's lawyers, who may have access to her before the next diplomatic opportunity. The others agreed.

Economic Impact of Sanctions

¶18. (C) Turning to ASSK's request for information on the economic impact of sanctions, CDA proposed that in the absence of clear data or a consensus expert view, the three governments should present ASSK with a variety of reports and let her reach her own conclusions. We should inform ASSK of the complete list of documents provided, in case Burmese authorities withhold materials that suggest GOB economic mismanagement is the real culprit for Burma's dismal economic performance. Heyn and Starr supported this approach, and agreed to assist in identifying appropriate reports.

Proposed Next Steps

¶19. (C) Post recognizes the difficulties for the United States in identifying a menu of potential trade-offs for sanctions relief; but we flag the apparent high-level UK interest in providing some form of response to ASSK soon. Close coordination with London, Canberra, and perhaps Ottawa will be important as we respond to ASSK in the near term and engage the regime over time. For starters, we suggest sharing with ASSK the Secretary's comments in Phuket calling for ASSK's release and noting USG willingness to respond by expanding our relationship with Burma, particularly by relaxing the investment ban. Another indicator might be Senator McConnell's very clear public statement of his perspective delivered after the announcement of the policy review outcomes. We await Washington guidance.

¶10. (C) We intend, in coordination with EAP/MLS, to collect credible reports, as available, on the effects of sanctions, and to exchange the results of our research with the UK and Australian Embassies. Once we have an agreed-upon package of materials cleared with capitals, the three Embassies intend to seek individual meetings with ASSK, ideally at her house, to pass those documents and continue discussions on sanctions.

¶11. (C) In the meanwhile, we plan to reach out to NLD Spokesperson and ASSK attorney Nyan Win and ask him to convey the following message to ASSK at their next meeting, if he feels he can do so privately:

-- The U.S., EU, and Australia are considering ASSK's request for GOB "milestones" toward democracy and our possible responses. We want to be helpful but face constraints (citing in our case the role of Congress on sanctions).

-- We recognize ASSK's reluctance to share her views on this issue in the presence of GOB officials and without speaking with her party. However, her views would inform and help shape our governments' deliberations.

-- We will try to collect a variety of reports, representing a range of views, on the economic impact of sanctions and will seek additional meetings with ASSK to share these documents and continue our discussions.

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